

CHAPTER 2

DESCRIPTION OF ALTERNATIVES

INTRODUCTION

This chapter summarizes the negotiations process for the long-term water service contracts and describes the alternatives considered in this EA. Because many districts that contract for CVP water have been operating under interim contracts, the discussion includes references to interim contracts and long-term contract renewals. As explained in Chapter 1, the CCWD has been operating under an Amendatory Contract that is scheduled to expire in 2010. For the purposes of this analysis, the term “long-term contract renewals” includes the replacement of CCWD’s existing Amendatory Contract.

LONG-TERM WATER SERVICE CONTRACT NEGOTIATIONS PROCESS

The CVPIA states that the Secretary shall, upon request, renew any existing long-term irrigation repayment or water service contract for the delivery of CVP water for a period of 25 years and may renew such contracts for successive periods of up to 25 years each. Consistent with the 1963 Act, municipal and industrial (M&I) contracts shall be renewed for successive periods of up to 40 years each under terms and conditions that are mutually agreeable. The CVPIA also states that no renewals shall be authorized until appropriate environmental review has been completed. The PEIS provided a programmatic environmental analysis of long-term water service contract renewals and identified the need for site-specific environmental documents for each long-term contract renewal.

The CVPIA also stated that contracts that expire prior to the completion of the PEIS may be renewed for interim periods. The interim renewal contracts reflect existing Reclamation law, including modifications by the Reclamation Reform Act (RRA) and applicable CVPIA requirements. The initial interim contract renewals were negotiated in 1994 with subsequent renewals for periods of 2 years or less to provide for continued water service. Many of the provisions from the interim contracts were assumed to be part of the contract renewal provisions in the description of the PEIS Preferred Alternative.

In 1998, the long-term contract renewal process was initiated. Reclamation reviewed the interim contract provisions that were consistent with Reclamation law and other requirements, comments on the Draft PEIS, and comments obtained during the interim contract renewal process. Reclamation proposed that the overall provisions of the long-term contracts would be negotiated with representatives of all CVP water service contractors. Following the acceptance of the CVP-wide provisions, Reclamation proposed that division-specific provisions and, finally, contractor-specific provisions would be negotiated. Reclamation also proposed that all water service contracts, except for those with the Central San Joaquin Irrigation District, Stockton East Water District, and Colusa Drain Mutual Water Company, would be renewed pursuant to this action. Contract renewals for these three districts are being delayed until the completion of water management studies for their primary sources of CVP water, the Stanislaus River and the Sacramento River.

Reclamation published the initial proposed contract in November 1999, and several negotiation sessions were held throughout the following 6 months. The CVP water service contractors published a counter-proposal in April 2000. The November 1999 proposal represents one “bookend” for the negotiations and the April 2000 proposal represents the other “bookend.” The results of the negotiations are reflected in the subsequent proposals.

The primary differences between the proposals are summarized in Table 2-1 at the end of this chapter.

ISSUES CONSIDERED AS PART OF LONG-TERM CONTRACT RENEWALS

The long-term contract renewal process addressed several issues besides the contract provisions. These issues included needs analyses, changes in service areas, and water transfers.

Needs Analyses

The water rights granted to the CVP by the State Water Resources Control Board require the federal government to determine that CVP water is being used in a beneficial manner. To this end, a needs analysis methodology was developed, specifically for long-term contract renewals, to determine if the contractors could use their full contract amount. This assessment was computed for each contractor of the CVP using a multi-step approach. First, the existing water demand was calculated for each contractor based on historic water uses. For agricultural water users, crop acreage, cropping patterns, crop water needs, effective precipitation, and conveyance loss information provided by each contractor were reviewed. For M&I water uses, residential, commercial, industrial, institutional, recreational, and environmental uses along with landscape coefficients, system losses, and landscape acreage information provided by each contractor were reviewed. Second, future changes in water demands were reviewed based on crops, M&I expansion, and changes in efficiencies. Third, existing and future non-CVP water supplies were identified for each contractor, including groundwater and other surface water supplies. The initial calculation of CVP water needs was limited by the assumption that other (non-federal) water supplies would be used first, and groundwater pumping would not exceed the safe yield of aquifers. In addition, the actual water needs were calculated at each division or unit level to allow for intra-regional transfers on an annual basis.

Beneficial and efficient future water demands were identified for each contractor. The demands were compared to available non-CVP water supplies to determine the need for CVP water. If the negative amount (unmet demand) fell within 10% of the contractor’s total water supply for contracts greater than 15,000 AF/yr, or within 25% for contracts less than 15,000 AF/yr, the test of full future need of the water supplies under the contract was deemed to be met.

Because the CVP was initially established as a supplemental water supply for areas with inadequate supplies, the needs for most contractors were at least equal to the CVP water service contract and frequently exceeded the previous contract amount. Increased total contract amounts were not included in the needs assessment because the CVPIA stated that Reclamation cannot increase contract supply quantities. Water Needs Assessment (WNA) was completed by Reclamation in March 2004 for the Contra Costa Water District. (The result of the Water Needs Assessment is provided in Appendix A). The WNA presented the contractor’s total water supplies including

transfers or exchanges into or out of the contractor's service areas, the total water demands, and the amount of the surplus or unmet demand.

The analysis for the Water Needs Assessment did not consider that ability of the CVP to deliver CVP water. CVP water has been constrained in recent years and may be constrained in the future due to many factors including hydrologic conditions and implementation of federal and state laws. The likelihood contractors will actually receive the full contract amount in any given year is uncertain. The water service contract amount proposed in this EA is the same as in the existing Amendatory Contract.

Changes in Water Service Areas

This environmental analysis does not consider future changes in water service area boundaries for use of CVP water. Any future changes to water service area boundaries for use of CVP water will be evaluated in separate technical and environmental analyses.

Water Transfers

Intra-CVP contract transfers have occurred regularly throughout the CVP; such transfers are frequently limited to scheduling changes between adjoining districts. It is recognized that water transfers will continue to occur and that the CVP long-term water service contracts will provide the mechanism. Because CVPIA has allowed these transfers, as evaluated in the PEIS for the Preferred Alternative, the No Action Alternative in this EA includes water transfer provisions. These provisions for transfers are also included in Alternatives 1 and 2 of this EA. However, it would be difficult to identify all of the water transfer programs that could occur with CVP water in the next 40 years. Reclamation would continue to issue separate environmental documents for proposed transfers and would establish criteria and protocols to allow rapid technical and environmental review of future proposed transfers.

ALTERNATIVES

Three alternatives were identified for the renewal of the long-term water service contracts between Reclamation and CCWD for the Contra Costa Canal system. These alternatives were also analyzed in an initial Draft EA dated October 2000.

The alternatives represent a range of water service agreement provisions that could be implemented for long-term contract renewals. The No Action Alternative in this EA consists of renewing the existing water service contract with the provisions described in the Preferred Alternative of the CVPIA PEIS. In November 1999, Reclamation published a proposed long-term water service contract with specific provisions for CVP contractors to consider. (This form-contract eventually became Alternative 2 in the October 2000 Draft EA.) In April 2000, the CVP contractors responded to Reclamation's November 1999 form-contract with an alternative form-contract. (That April 2000 form-contract was analyzed in the October 2000 Draft EA as Alternative 1.) Subsequently, Reclamation and the CVP Contractors have continued to negotiate the CVP-wide terms and conditions, with Alternatives 1 and 2 serving as "bookends."

No Action Alternative

The No Action Alternative for this EA assumes renewal of long-term CVP water service contracts for a period of 25 years in accordance with the CVPIA, as described in the PEIS Preferred Alternative. The No Action Alternative assumes that most contract provisions would be similar to the provisions in the 1997 CVP Interim Renewal Contracts, which included provisions consistent with applicable CVPIA requirements. In addition, the No Action Alternative assumes tiered pricing provisions and environmental commitments, as described in the CVPIA PEIS Preferred Alternative. The provisions of the No Action Alternative are summarized in Table 2-1 at the end of this chapter. These provisions were also described in the Final CVPIA PEIS.

Several applicable CVPIA provisions summarized in the description of the No Action Alternative are addressed in a different manner in Alternatives 1 and/or 2, and therefore could result in changes in environmental impacts or benefits. These issues include tiered water pricing, the definition of M&I water users, water measurement, and water conservation. Each of these issues is described in the following paragraphs.

Tiered Water Pricing

Tiered water pricing in the No Action Alternative is based on use of an “80/10/10 Tiered Water Pricing from Contract Rate to Full Cost,” including appropriate Ability-to-Pay limitations. Under this approach, the first 80 percent of the maximum contract total would be priced at the applicable Contract Rate. The next 10 percent of the contract total would be priced at a rate equal to the average of the Contract Rate and Full Cost Rate. The final 10 percent of the contract total would be priced at the Full Cost Rate. The terms “Contract Rate” and “Full Cost Rate” are defined by the CVP rate-setting policies and by P.L. 99-546 and the Reclamation Reform Act (RRA), respectively. The Contract Rate for irrigation and M&I water includes the contractor’s allocated share of CVP main project operation and maintenance, operation and maintenance deficit, if any, and capital cost. The Contract Rate for irrigation water does not include interest on capital. The Contract Rate for M&I water includes interest on capital computed at the CVP M&I interest rate. The Full Cost Rate for irrigation and M&I water includes interest at the RRA interest rate.

In addition to the CVP water rate, contractors are required to pay a Restoration Payment on all deliveries of CVP water. Reclamation law and policy provide full or partial relief to irrigation contractors on Restoration Payments and the capital rate component of the water rate. Ability-to-Pay relief, relative to the irrigation water rate, is fully applicable only to the first 80 percent of the contract total. Ability-to-Pay relief is not applicable to the third tier water rate. The second tier may reflect partial Ability-to-Pay relief, since it is equal to the average of the first and third tiers. The relief could be up to 100 percent of the capital cost repayment and is based on local farm budgets. The Ability-to-Pay law and policy do not apply to CVP operation and maintenance costs, M&I water rates, CVP distribution facilities, or non-CVP water costs.

The prices of CVP water in the No Action Alternative are based on 1994 CVP irrigation and M&I water rates.

Definition of Municipal and Industrial Users

The definition of M&I water users was established in portions of a 1982 Reclamation policy memorandum. In many instances, “municipal users” is easily definable. However, with respect to small tracts of land, the 1982 memorandum identified agricultural water as agricultural water service to tracts that can support \$5,000 gross income from a commercial farm operation. The memorandum indicates that this criterion can be generally met by parcels greater than 2 acres. However, under the No Action Alternative, M&I water is defined as water for parcels of 5 acres or less. The No Action Alternative provides CVP contractors with the ability to request from the Contracting Officer a contract modification to pay agricultural rates for parcels between 2 and 5 acres if they are able to demonstrate agricultural use.

Water Measurement

The No Action Alternative includes water measurement at every turnout or connection to measure CVP water deliveries. It is assumed that if other sources are commingled with the CVP water, including groundwater or other surface waters, the measurement devices would report gross water deliveries and additional calculations would then be required to determine the exact quantity of CVP water. However, if groundwater or other surface waters are delivered to the users by other means, the No Action Alternative does not include additional measurement devices, except as required by individual users’ water conservation plans.

Water Conservation

The water conservation assumptions in the No Action Alternative include water conservation actions for municipal and on-farm uses assumed in California Department of Water Resources Bulletin 160-93 and conservation plans completed under the 1982 RRA, consistent with the criteria and requirements of the CVPIA. Such criteria address Best Management Practices that are cost effective, economical, and appropriate, including measurement devices, pricing structures, demand management, public information measures, and financial incentives.

Alternative 1

Alternative 1 is based on the proposal presented by CVP Contractors to Reclamation in April 2000. However, there were several issues included in the April 2000 proposal that could not be included in Alternative 1 because they are not consistent with existing federal or state requirements or would require a separate federal action, as described below.

- The April 2000 proposal included Terms and Conditions to provide a highly reliable water supply and provisions to improve the water supply capabilities of the CVP facilities and operations to meet this goal. *These issues were not included in Alternative 1 because they would require additional federal actions with separate environmental documentation and would also limit the Secretary’s obligation to achieve a reasonable balance among competing demands, as required by the CVPIA. Currently, Reclamation is completing the least-cost plan to restore project yield in accordance with Section 3408(j) of CVPIA and under the CALFED program.*

- The April 2000 proposal included language to require renewal of contracts after 25 years upon request of the contractor. *The study period for this revised EA is 40 years, which was authorized under the Reclamation Project Act of 1963 and was not clearly disallowed under CVPIA.*
- The April 2000 proposal did not include provisions for compliance with biological opinions from the U.S. Fish and Wildlife Service (Service) and the National Marine Fisheries Service. *Biological consultations with the Service and National Marine Fisheries Service (NOAA-Fisheries) are required by the Consultation and Coordination requirements established by Executive Order for all Reclamation activities. These are binding on Reclamation and provisions are being developed to address this requirement.*
- The April 2000 proposal included provisions for water transfers. *It is recognized that water transfers will continue and that the CVP long-term contracts will provide the mechanisms for the transfers. However, it would be difficult to identify all of the water transfer programs that could occur with CVP water in the next 40 years. Reclamation will continue to complete separate environmental documents for transfers and will establish criteria for rapid technical and environmental review of proposed transfers.*
- The April 2000 proposal included provisions for transfer of operations and maintenance requirements. *It is recognized that transfers of operation and maintenance to the group of contractors will continue and that the CVP long-term contracts will provide the mechanisms for such transfers. However, it would be difficult to identify all of the operation and maintenance transfer programs that could occur with CVP water in the next 40 years. Reclamation will require separate environmental documentation for such transfers.*
- The April 2000 proposal included provisions for resolution of disputes. *Assumptions for resolution of disputes were not included in Alternative 1, but at this time, any such assumptions would not appear to affect environmental conditions.*
- The April 2000 proposal included provisions for expansion of the CVP service areas by the existing CVP water contractors. *The study area for the long-term contract renewal process is defined by the existing service area boundaries. Expansion of the service area boundaries would be a new federal action and would require separate environmental documentation.*

The April 2000 proposal included several provisions that were different than the assumptions for the No Action Alternative, and those provisions are included in Alternative 1, as summarized in Table 2-1. The April 2000 proposal also included several provisions that involve specific language changes that would not significantly modify CVP operations in a manner that would affect the environment as compared to the No-Action Alternative but could affect the specific operations of a contractor.

It should be noted that the tiered pricing requirements (including unit prices for CVP water) and the definition of M&I water users in Alternative 1 would be the same as in the No Action Alternative.

Alternative 2

Alternative 2 is based on the proposal presented by Reclamation to CVP water service contractors in November 1999. However, there were several provisions included in the November 1999 proposal that are not included in Alternative 2. These provisions would constitute a separate federal action, as described below.

- The November 1999 proposal included provisions for the contractor to request approval from Reclamation for proposed water transfers. *Water transfers were not included in Alternative 2 because such actions cannot now be definitely described, and they essentially constitute a separate federal action that would require separate environmental documentation.*
- The November 1999 proposal included provisions for transfer of operations and maintenance to third parties. *Operations and maintenance transfers were not included in Alternative 2 because these actions would be a separate federal action and would require separate environmental documentation.*

The November 1999 proposal included several provisions that were different than the assumptions for the No Action Alternative and these provisions are included in Alternative 2, as summarized below and in Table 2-1. The primary differences are related to tiered pricing and the definition of M&I water users.

Tiered Water Pricing

Tiered water pricing under Alternative 2 is based on the definitions of “Category 1” and “Category 2” water supplies. “Category 1” is defined as the quantity of CVP water that is reasonably likely to be available for delivery to a contractor, and is calculated on an annual basis as the average quantity of delivered water during the most recent 5-year period. For the purposes of Alternative 2, the “Category 1” water supply is defined as the “contract total.” “Category 2” is defined as that additional quantity of CVP water in excess of Category 1 water that may be delivered to a contractor in some years. Under Alternative 2, the first 80 percent of Category 1 volume would be priced at the applicable Contract Rate for the CVP. The next 10 percent of the Category 1 volume would be priced at a rate equal to the average between the Contract Rate and Full Cost Rate as defined by Reclamation law and policy. The final 10 percent of the Category 1 volume would be priced at the Full Cost Rate as required by the CVPIA. All Category 2 water, when available, would be priced at the Full Cost Rate. It should be noted that Category 1 and Category 2 volumes would change each year based on the average deliveries for the “most recent 5 years,” with limited exceptions based on the findings of the water needs assessment. Alternative 2 assumes the sum of Category 1 and Category 2 water is equal to the maximum quantity included in the contractors’ existing water service contract. The quantity is the same as under the No Action Alternative and Alternative 1. The terms “Contract Rate” and “Full Cost Rate” are discussed under Tiered Pricing for the No Action Alternative. The same Ability-to-Pay adjustments would be applicable to Restoration Payments and tiered water rates, as described for the No Action Alternative.

The prices of CVP water used in Alternative 2 are based on CVP agricultural and M&I water rates presented in the November 17, 1999, Financial Workshop Handouts 1 and 2.

Definition of Municipal and Industrial Users

The definition of M&I water users includes users with tracts less than or equal to 5 acres, unless the Contracting Officer is satisfied that the use of such water meets the definition of “Irrigation Water.”

ALTERNATIVES CONSIDERED BUT ELIMINATED FROM FURTHER CONSIDERATION**Nonrenewal of Long-term Contracts**

Nonrenewal of existing contracts is considered infeasible based on Section 3404(c) of the CVPIA. This alternative was considered but eliminated from analysis in this EA because Reclamation does not have the discretion to not renew the contracts.

Continuing with Existing Amendatory Contract

Continuing to supply CVP water to the CCWD service area under the existing Amendatory Contract was considered but eliminated from analysis in this EA because the Amendatory Contract expires in 2010 and would therefore not meet the purpose and need for a long-term contract.

Reduction in Contract Amounts

Reduction of contract amounts was considered in certain cases but eliminated from analysis because the completed water needs analyses found that, in almost all cases, the needs would exceed or equal the current total contract amount. In addition, in order to implement good water management, the contractors would need to be able to store or immediately use water available in wetter years when more water is available. By quantifying contract amounts in terms of the needs analyses and the CVP delivery capability, the contractors can make their own economic decisions. Allowing the contractors to retain the full water quantity gives the contractors assurance that the water will be available to them for storage investments. In addition, the CVPIA, in and of itself, achieves a balance in part through its dedication of significant amounts of CVP water to environmental purposes and actions to acquire water for environmental purposes.

SELECTION OF THE PREFERRED ALTERNATIVE

It is anticipated that the final contract language and the Preferred Alternative will represent a negotiated position between Alternatives 1 and 2. Therefore, it is anticipated that the impacts will be either equal to or less than those identified for Alternative 1, Alternative 2, and the No Action Alternative.

SUMMARY OF ENVIRONMENTAL IMPACTS

The potential impacts of the alternatives are summarized in Table 2-2. The impact analysis focused on land use, socioeconomic, biological resources, and cultural resources. The land use discussion is included to provide a context in which the proposed action can be understood. It summarizes the prevalent land uses in the CCWD service area and describes County-wide growth management programs. Socioeconomic resources are evaluated because of the potential impacts resulting from the proposed revised pricing structure included as part of the proposed action. Due to their project-

specific nature, socioeconomic resources were identified in the CVPIA PEIS as the single resource area that would require future evaluation. Biological resources are evaluated because of the extensive negotiations and consultations among Reclamation, CCWD, and the Service. These consultations included the recent biological opinion, issued in April 2000, which establishes the responsibilities of CCWD to protect sensitive biological resources. Reclamation has initiated consultation with U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration. Cultural resources and Indian trust assets are included in this EA to disclose the federal requirements specific to the proposed action and the role of Reclamation in complying with Section 106 of the National Historic Preservation Act and with American Indian Tribal Trust Rights.

**TABLE 2-1
COMPARISON OF CONTRACT PROVISIONS
CONSIDERED IN ALTERNATIVES**

<i>Provision</i>	<i>No Action Alternative Based on PEIS and Interim Contracts</i>	<i>Alternative 1 Based on April 2000 Proposal</i>	<i>Alternative 2 Based on November 1999 Proposal</i>
Explanatory Recitals	<p>Assumes water rights held by CVP from State Board for use by water service contractors under CVP policies.</p> <p>Assumes that CVP is a significant part of the urban and agricultural water supply of users.</p> <p>Assumes increased use of water rights, need to meet water quality standards and fish protection measures, and other measures constrained use of CVP.</p> <p>Assumes the need for the 3408(j) study.</p> <p>Assumes that loss of water supply reliability would have impact on socioeconomic conditions and change land use.</p>	<p>Assumes CVP Water Right as being held in trust for project beneficiaries that may become the owners of the perpetual right.</p> <p>Assumes CVP is a significant, essential, and irreplaceable part of the urban and agricultural water supply of users.</p> <p>Assumes that CVPIA impaired ability of CVP to deliver water.</p> <p>Assumes implementation of yield increase projects per 3408(j) study.</p> <p>Assumes that loss of water supply reliability would have significant adverse socioeconomic and environmental impacts in CVP service area.</p>	<p>Same as No Action Alternative.</p> <p>Same as No Action Alternative.</p> <p>Same as No Action Alternative.</p> <p>Same as No Action Alternative.</p> <p>Same as No Action Alternative.</p>
<i>Definitions</i>			
“Charges”	Charges defined as payments required in addition to Rates.	Assumes rewording of definition of Charges to exclude both Rates and Tiered Pricing Increments.	Same as No Action Alternative.
“Category 1 and Category 2”	Tiered Pricing as in PEIS.	Not included.	Tiered Pricing for Categories 1 and 2.
“Contract Total”	Contract Total described as Total Contract.	Same as No Action Alternative.	Described as basis for Category 1 to calculate Tiered Pricing.
“Landholder”	Landholder described in existing Reclamation Law.	Assumes rewording to specifically define Landholder with respect to ownership, leases, and operations.	Assumes rewording to specifically define Landholder with respect to ownership and leases.

TABLE 2-1 (continued)
COMPARISON OF CONTRACT PROVISIONS
CONSIDERED IN ALTERNATIVES

<i>Provision</i>	<i>No Action Alternative Based on PEIS and Interim Contracts</i>	<i>Alternative 1 Based on April 2000 Proposal</i>	<i>Alternative 2 Based on November 1999 Proposal</i>
“M&I Water”	Assumes rewording to provide water for irrigation of land in units less than or equal to 5 acres as M&I water unless Contracting Officer satisfied use is irrigation.	M&I water described for irrigation of land in units less than or equal to 2 acres.	Same as No Action Alternative.
Terms of Contract – Right to Use Contract	Assumes that contracts may be renewed. Assumes convertibility of contract to a 9(d) contract same as existing contracts.	States that contract shall be renewed. Includes conditions that are related to negotiations of the terms and costs associated with conversion to a 9(d) contract.	Same as No Action Alternative. Same as No Action Alternative.
Water to be Made Available and Delivered to the Contractor	Assumes water availability in any with existing conditions.	Similar to No Action Alternative.	Actual water availability in a year is unaffected by Categories 1 and 2.
Water to be Made Available and Delivered to the Contractor (continued)	Assumes compliance with Biological Opinions and other environmental documents for contracting. Assumes that current operating policies strive to minimize impacts to CVP water users.	Not included. Assumes that CVP operations will be conducted in a manner to minimize shortages and studies to increase yield shall be completed with necessary authorizations.	Same as No Action Alternative. Same as No Action Alternative.
Time for Delivery of Water	Assumes methods for determining timing of deliveries as in existing contracts.	Assumes minor changes related to timing of submittal of schedule.	Same as No Action Alternative.
Point of Diversion and Responsibility for Distribution of Water	Assumes methods for determining point of diversion as in existing contracts.	Assumes minor changes related to reporting.	Same as No Action Alternative.
Measurement of Water Within District	Assumes measurement for each turnout or connection for facilities that are used to deliver CVP water as well as other water supplies.	Assumes measurement at delivery points.	Assumes similar actions in No Action Alternative but applies to all water supplies.

TABLE 2-1 (continued)
COMPARISON OF CONTRACT PROVISIONS
CONSIDERED IN ALTERNATIVES

<i>Provision</i>	<i>No Action Alternative Based on PEIS and Interim Contracts</i>	<i>Alternative 1 Based on April 2000 Proposal</i>	<i>Alternative 2 Based on November 1999 Proposal</i>
Rates and Method of Payment for Water	Assumes Tiered Pricing is total water quantity. Assumes advanced payment for rates for 2 months.	Assumes Tiered Pricing is total water quantity. Assumes advanced payment for rates for 1 month.	Assumes Tiered Pricing is total water quantity. Assumes advanced payment for rates for 6 months.
Non-interest Bearing Operation and Maintenance Deficits	Assumes language from existing contracts.	Same as No Action Alternative.	Same as No Action Alternative.
Sales, Transfers, or Exchanges of Water	Assumes continuation of transfers with the rate for transferred water being the higher of the sellers or purchasers CVP cost of service rate.	Assumes continuation of transfers with the rate for transferred water being the purchasers CVP cost of service rate.	Same as No Action Alternative.
Application of Payments and Adjustments	Assumes payments will be applied as in existing contracts.	Assumes minor changes associated with methods described for overpayment.	Same as No Action Alternative.
Temporary Reduction Return Flows	Assumes that current operating policies strive to minimize impacts to CVP water users.	Assumes minor changes associated with methods described for discontinuance or reduction of payment obligations.	Same as No Action Alternative.
Constraints on Availability of Project Water	Assumes that current operating policies strive to minimize impacts to CVP water users.	Assumes Contractors do not consent to future Congressional enactments which may impact.	Same as No Action Alternative.
Unavoidable Groundwater Percolation	Assumes that some of applied CVP water will percolate to groundwater.	Same as No Action Alternative.	Same as No Action Alternative.
Rules and Regulations	Assumes that CVP will operate in accordance with then existing rules.	Assumes minor changes with right to non-concur with future enactments retained by Contractors.	Same as No Action Alternative.
Water and Air Pollution Control	Assumes that CVP will operate in accordance with then existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Quality of Water	Assumes that CVP will operate in accordance with existing rules without obligation to operate towards water quality goals.	Same as No Action Alternative.	Same as No Action Alternative.

TABLE 2-1 (continued)
COMPARISON OF CONTRACT PROVISIONS
CONSIDERED IN ALTERNATIVES

<i>Provision</i>	<i>No Action Alternative Based on PEIS and Interim Contracts</i>	<i>Alternative 1 Based on April 2000 Proposal</i>	<i>Alternative 2 Based on November 1999 Proposal</i>
Water Acquired by the Contractor Other than from the United States	Assumes that CVP will operate in accordance with existing rules.	Assumes changes associated with payment following repayment of funds.	Same as No Action Alternative.
Opinions and Determinations	PEIS recognizes that CVP will be operated in accordance with existing rules.	Assumes minor changes with respect to references to the right to seek relief.	Same as No Action Alternative.
Coordination and Cooperation	Not included.	Assumes that coordination and cooperation between CVP operations and users should be implemented and CVP users should participate in CVP operational decisions.	Not included.
Charges for Delinquent Payments	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Equal Opportunity	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
General Obligation	Assumes that CVP will operate in accordance with existing rules.	Similar to No Action Alternative.	Same as No Action Alternative.
Compliance with Civil Rights Laws and Regulations	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Privacy Act Compliance	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Contractor to Pay Certain Miscellaneous Costs	Assumes that CVP will operate in accordance with existing rules.	Similar to No Action Alternative.	Same as No Action Alternative.
Water Conservation	Assumes compliance with conservation programs established by Reclamation and the state.	Assumes conditions similar to No Action Alternative with the ability to use state standards which may or may not be identical to Reclamation's requirements.	Same as No Action Alternative.
Existing or Acquired Water or Water Rights	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.

TABLE 2-1 (continued)
COMPARISON OF CONTRACT PROVISIONS
CONSIDERED IN ALTERNATIVES

<i>Provision</i>	<i>No Action Alternative Based on PEIS and Interim Contracts</i>	<i>Alternative 1 Based on April 2000 Proposal</i>	<i>Alternative 2 Based on November 1999 Proposal</i>
Operation and Maintenance by Non-federal Entity	Assumes that CVP will operate in accordance with existing rules with no additional changes to operation responsibilities.	Assumes minor changes to language that would allow subsequent modification of operational responsibilities.	Assumes minor changes to language that would allow subsequent modification of operational responsibilities.
Contingent on Appropriation or Allotment of Funds	Assumes that CVP will operate in accordance with existing rules.	Assumes minor changes to language.	Same as No Action Alternative.
Books, Records, and Reports	Assumes that CVP will operate in accordance with existing rules.	Assumes changes for record keeping for both CVP operations and CVP users.	Same as No Action Alternative.
Assignment Limited	Assumes that CVP will operate in accordance with existing rules.	Assumes changes to facilitate assignments.	Same as No Action Alternative.
Severability	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Resolution of Disputes	Not included.	Assumes a Dispute Resolution Process.	Not included.
Officials Not to Benefit	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Changes in Contractor's Service Area	Assumes no change in CVP water service areas absent Contracting Officer consent.	Assumes changes to limit rationale used for non-consent and sets time limit for assumed consent.	Same as No Action Alternative.
Notices	Assumes that CVP will operate in accordance with existing rules.	Same as No Action Alternative.	Same as No Action Alternative.
Confirmation of Contract	Assumes Court confirmation of contract.	Not included. Assumption is that Court confirmation not required.	Same as No Action Alternative.

**TABLE 2-2
SUMMARY OF ENVIRONMENTAL IMPACTS**

<i>Resource</i>	<i>Description of Impact</i>
NO ACTION ALTERNATIVE	
Land Use	The proposed long-term water service contract renewal (proposed action) does not include the development of any physical facilities and structures and therefore would not have a direct effect on land use. Indirect effects to land use could occur due to growth accommodated by the continued provision of water. The No Action Alternative is consistent with Contra Costa County General Plan Policy 7-17, which directs the County to encourage water service agencies to develop supplies and facilities to meet future water needs based on the growth policies contained in the County and cities' general plans.
Socioeconomics	For M&I water costs in the average hydrologic condition, CCWD would pay an estimated \$8.2 million to acquire (a) the 155,700 acre-feet of CVP M&I water that would be made available to its customers and (b) an additional 11,300 acre-feet of supplies from alternative water sources it would need to address demand not met by CVP supplies.
	The projected cost of CCWD M&I water in a dry year would be about \$20 million.
Biological Resources	No new structures or physical changes to the environment would result from long-term contract renewal. Therefore, no direct effects on biological resources are expected. Indirect impacts to biological resources would result from the planned growth analyzed in the County and cities' general plans. Indirect effects related to the secondary effects of growth within CCWD's service area were evaluated in the FWSI EIR. The FWSI EIR found that the continued provision of water would result in indirect effects to native land and agricultural habitats, special-status communities, and special-status plant and animal species. These impacts were mitigated through the biological opinion developed in consultation with the Service.
Cultural Resources	Although the proposed contract renewal would not directly result in any construction activities, impacts associated with the secondary or indirect impacts of growth resulting from construction and development are expected to occur; these impacts are analyzed in the County General Plan EIR. No indirect impacts beyond those anticipated in the County General Plan EIR would occur from issuing the long-term contract. The secondary impacts resulting from development in currently non-urban areas could affect both known and undiscovered archaeological resources, especially in areas of high sensitivity. Areas specifically identified in the County General Plan EIR that are in the CCWD service area include the Bethel Island region and Alhambra Road west of Martinez.
ALTERNATIVE 1	
Land Use	There would be no impacts in addition to those identified for the No Action Alternative.
Socioeconomics	CCWD's cost of M&I water would be similar to the No Action Alternative. No incremental impacts would result.
	No change in land use or associated value of crop production is anticipated.

**TABLE 2-2
SUMMARY OF ENVIRONMENTAL IMPACTS**

<i>Resource</i>	<i>Description of Impact</i>
	There would be no impacts on the regional economy.
Biological Resources	There would be no impacts in addition to those identified for the No Action Alternative.
Cultural Resources	There would be no impacts in addition to those identified for the No Action Alternative.
ALTERNATIVE 2	
Land Use	There would be no impacts in addition to those identified for the No Action Alternative.
Socioeconomics	A minimum 30 percent increase in CCWD costs relative to the No Action Alternative would result. Cost of CVP M&I water would increase by about: <ul style="list-style-type: none"> • \$1.3 million in an average hydrologic year following 5 years of average hydrologic conditions, • \$1.5 million in an average hydrologic year following 5 years of dry hydrologic conditions, and • \$1.2 million in an average hydrologic year following 5 years of wet hydrologic conditions. CCWD's recent average residential water bill would increase by less than 1 percent.
	In a dry year, CCWD's cost of M&I water would increase by about 5 percent over the cost under the No Action Alternative in a dry year.
	There would be an incremental decrease in total industrial output in the County estimated between \$1.68 and \$2.09 million, depending on hydrologic conditions. This is a decrease of less than approximately 0.01 percent in the County's output.
	There would be an incremental decrease in total employment in the County estimated between 22 and 28 full-time-equivalent jobs, depending on hydrologic conditions. This is a decrease of less than approximately 0.01 percent in the County's employment base under the No Action Alternative.
	The projected incremental decrease in Total Income Place of Work (POW) in the County is estimated to be between \$0.94 million and \$1.16 million, depending on hydrologic conditions. This is a decrease of less than approximately 0.01 percent in the County's Total Income POW compared to estimated No Action conditions.
Biological Resources	There would be no impacts in addition to those identified for the No Action Alternative.
Cultural Resources	There would be no impacts in addition to those identified for the No Action Alternative.